

FARRELL FRITZ, P.C.
1320 RexCorp Plaza
Uniondale, NY 11556-0120
(516) 227-0700
Ted A. Berkowitz
Patrick Collins

Attorneys for Cargill Investment Group, Ltd.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	:	Chapter 11
	:	
Lehman Brothers Holdings, Inc., et al.,	:	Case No. 08-13555 (JMP)
	:	
Debtors.	:	Jointly Administered
-----X	:	
SECURITIES INVESTOR PROTECTION CORPORATION,	:	
	:	
Plaintiff-Applicant,	:	
	:	
v.	:	Adv. Proc. Nos. 08-01419
	:	and 08-01420
Lehman Brothers, Inc.	:	
	:	
Defendant.	:	
-----X	:	

DECLARATION OF LINDA CARGILL

I, Linda Cargill, declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the following statements are true and correct to the best of my knowledge:

1. I am President of Cargill Investment Group Ltd. ("CIG"), a Massachusetts corporation. I submit this declaration in support of CIG's Motion for Relief from Automatic Stay to Terminate Management Agreement and for Allowance and Payment of Administrative

Expense Claim (the “Motion”). I have personal knowledge of the facts stated herein, some of which I have obtained from my review of records maintained by CIG in the ordinary course of its asset management business. All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

2. Annexed hereto as Exhibit “A” is a redacted copy of the Second Management Agreement, dated July 1, 2007, between CIG and LBI. Pursuant to the Second Management Agreement, CIG provides asset management services in connection with six Funds, each of which owns limited partnership interests in certain Property Partnerships. Each of the Property Partnerships owns multi-family rental real property that is eligible for low income housing tax credits. In the aggregate, the Funds hold interests in partnerships that own 57 low income rental properties.

3. Each of the Funds is a limited partnership in which LHCI and its affiliates are general partners. LTCA is the special limited partner in each of the Property Partnerships. CIG understands that, contrary to the recitals in the Second Management Agreement, LHCI is a wholly owned subsidiary of LBHI and not a subsidiary of LBI. The limited partners in the Funds are the Investors in the Funds—primarily consisting of Fortune 500 companies.

4. As a practical matter, CIG cannot provide many of the services to be rendered under the Second Management Agreement without participation and cooperation from LBI, LHCI and/or LTCA. CIG has not been authorized to enter into contracts on LBI’s and LHCI’s behalf and Lehman personnel were the only authorized signatories on the bank accounts maintained by the Funds. Workouts necessitating decision-making by the Funds on a daily basis are ongoing with respect to a number of the properties held by the Property Partnerships. Notably, as a result of some of the workouts, LHCI or its affiliates are the general partners of

several of the Property Partnerships directly responsible for managing the operations of those Property Partnerships.

5. Since the date of commencement of LHBI's bankruptcy case, LBI and LHCI have effectively ceased to communicate with CIG regarding affairs of the Funds. In response to CIG's numerous requests for (i) authorization to carry out Fund business and (ii) issuance of checks in payment of expenses of the Funds, the Lehman personnel to whom CIG had previously been instructed to report informed CIG that they were not currently permitted to provide substantive responses to such requests. Beginning on September 22, 2008, these persons informed CIG that they were now employed by Barclays for all intents and purposes.

6. Since September 15, 2008, and as a result of LBI's failure to cooperate with CIG's efforts to manage the Funds and those Property Partnerships in which LHCI or its affiliates are the general partner, CIG has been unable to (i) pay accountants to finalize the 2007 federal and state income tax returns of certain of the Funds, or other professionals who provide services to the Funds and certain of the Property Partnerships, (ii) provide guidance and authorization to attorneys handling active litigation on behalf of the Funds and LTCA and (iii) engage and pay a contractor to perform necessary repairs on buildings owned by a Property Partnership in which an affiliate of LHCI is the general partner responsible for operating and maintaining that property.

7. CIG has not received any of the approximately \$350,000 in fees due under the Second Management Agreement for the 3rd quarter of 2008 and has received no indication from LBHI, LHCI, LBI or James W. Giddens, in his capacity as the court-appointed Trustee under SIPA for LBI, that CIG will be paid the fees owed under the Second Management Agreement for services provided during the 4th quarter of 2008. CIG estimates that the prorated amount of fees

due under the Second Management Agreement for the period from September 19 through September 30, 2008 are \$45,800.

8. Pursuant to Section 4(c) of the Second Management Agreement, CIG has provided LHCI with notice of LBI's material breach of its duty of cooperation under Section 5 of the Second Management Agreement.

9. CIG continues to provide services under the Second Management Agreement.

Dated: Boston, Massachusetts
October 2, 2008

/s/ Linda Cargill
LINDA CARGILL

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